



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ENVIRONMENTAL AFFAIRS
Department of Agricultural Resources
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KERRY HEALEY
Lieutenant Governor

STEPHEN R. PRITCHARD
Secretary

DOUGLAS P. GILLESPIE
Commissioner

December 13, 2005

Honorable Mike Johanns
Secretary of Agriculture
United States Department of Agriculture
Room 200A, Administration Building
12th St & Jefferson Drive, S. W.
Washington DC 20250

Dear Secretary Johanns:

As Commissioner of the Massachusetts Department of Agricultural Resources, I am writing to request that the 2007 Farm Bill, include language again authorizing a Farm Viability Program.

The Massachusetts Farm Viability Enhancement Program (FVEP) is now in its tenth year and has served as a model for at least six other states to start similar programs. The basic philosophy of the Massachusetts Farm Viability Enhancement Program is very simple. **The best way to keep land in agricultural use is to make agriculture PROFITABLE for those who use the resource.**

FVEP is a business planning assistance and farmland preservation program whose purpose is to improve the economic viability and environmental integrity of participating farms by providing individualized and in-depth business planning assistance and seed capital for improvements recommended in the business plan. The primary focus of the program is to improve an individual farm's economic viability through encouraging more value-added and direct retail, promoting vertical integration, and enhancing product diversity as well as to improve environmental practices used on these farms.

In Massachusetts, farms are selected each year to enter the program through a competitive application process. Selected farms undergo a business-planning phase, where teams comprised of farmers and other agricultural, economic and environmental consultants develop farm viability plans. The Farm Viability plan suggests ways for farmers to increase their on-farm income through such methods as improved management practices, diversification, direct marketing, value-added initiatives and agri-tourism.

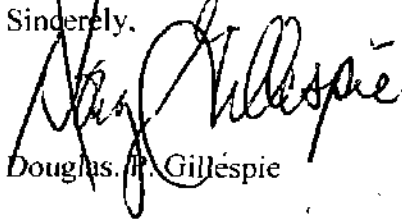
After the business planning phase, farmers willing to implement the recommended changes and sign a non-development covenant for a period of 5 or 10 years, may be offered seed capital to implement those recommended changes. Grants are awarded up to \$20,000 for a 5-year covenant, up to \$40,000 for a 10-year covenant, and up to \$60,000 for a 10-year covenant for at least 135 acres.

FVEP applications are evaluated and selected based on identified criteria including the degree of threat to the continuation of agriculture on the land, the number of acres to be enrolled in the program, the current intensity of use on the farm and its significance and contribution to the state's agricultural industry, whether the farm has already or plans to diversify into retail or value-added activities, the agricultural experience of the operator, whether environmental objectives would be accomplished through the program, and the productivity of the land based on soil quality, physical features and location.

Since the implementation of the Massachusetts Farm Viability Enhancement Program in 1996, 294 farms have enrolled in the program, resulting in 20,723 acres under covenant on 221 farms. The average additional investment on top of the state's monies to implement the recommended changes average \$31,200 per farm. In addition to this infusion of additional investment in our agricultural infrastructure, there is a \$18.585 projected increase in the bottom line based on the business plans written. So not only does the program protect agricultural lands, it make agriculture more profitable!!

There was Farm Viability language in the 2002 Farm Bill but funding was never allocated. I would strongly urge you to include Farm Viability language in the 2007 Farm Bill and replicate the success we and the 6 other states have had in keeping land in agricultural use.

Sincerely,

A handwritten signature in dark ink, appearing to read "Douglas P. Gillespie", is written over the typed name.

Douglas P. Gillespie

Massachusetts Department of Agricultural Resources



www.Mass.gov/AGR



FARM VIABILITY BASIC PHILOSOPHY

**The BEST way to keep land in agricultural
use is to make agriculture PROFITABLE for
those who use the resource.**





PRIMARY CONCEPTS OF THE FARM VIABILITY PROGRAM

Improve individual farm's economic viability

- Encourage more value-added & direct retail**
- Promote vertical integration**
- Enhance product diversity**

**Improve environmental practices used on
farms.**



ADDITIONAL CONCEPTS TO SUPPORT FARM VIABILITY

Protect agricultural land and open space more economically

Increase access to capital

Provide access to technical assistance no longer available elsewhere

Improve business and management skills among farmers.



Program Description

Phase I – Business Planning

Phase II – Covenant, Contract and Check

Phase III – Receipts, Reporting and Evaluation

Phase I Business Planning:

- **Orientation meeting following notification**
- **Initial Site visit by Point Person – assemble "Team"**
- **Historical Financials**
- **Individualized Technical Assistance**
- **Environmental Planning/Projects**
- **Marketing Plan**
- **Construction/Architectural Planning**
- **Business Plan Writing Assistance**

FARM VIABILITY ENHANCEMENT PROGRAM

- ✓ Established in 1995 - 294 farms selected
- ✓ Replicated Since In At Least Five States
- ✓ 20,723 Acres Under Covenant On 221 Farms*
- ✓ Cost per acre of covenant land - \$394
- ✓ 1,189 Additional Acres Impacted
- ✓ Cost per acre included impacted - \$241
- ✓ 3,082 Acres (27 Farms) Entered In FY 2006
- ✓ 73% (215 farms) have additional investment averaging \$31,760 per farm

✓ Average projected increase to bottom line \$18,585
(*) There are 19 renewal farms with updated business plans and new covenants

Phase II – Covenant, Contract and Check

COVENANT OPTIONS

- 5 years - \$20,000
- 10 Years - \$40,000
- 10 Years - \$60,000 - if over 135 acres

CONTRACT

What is to be accomplished with funds and when.

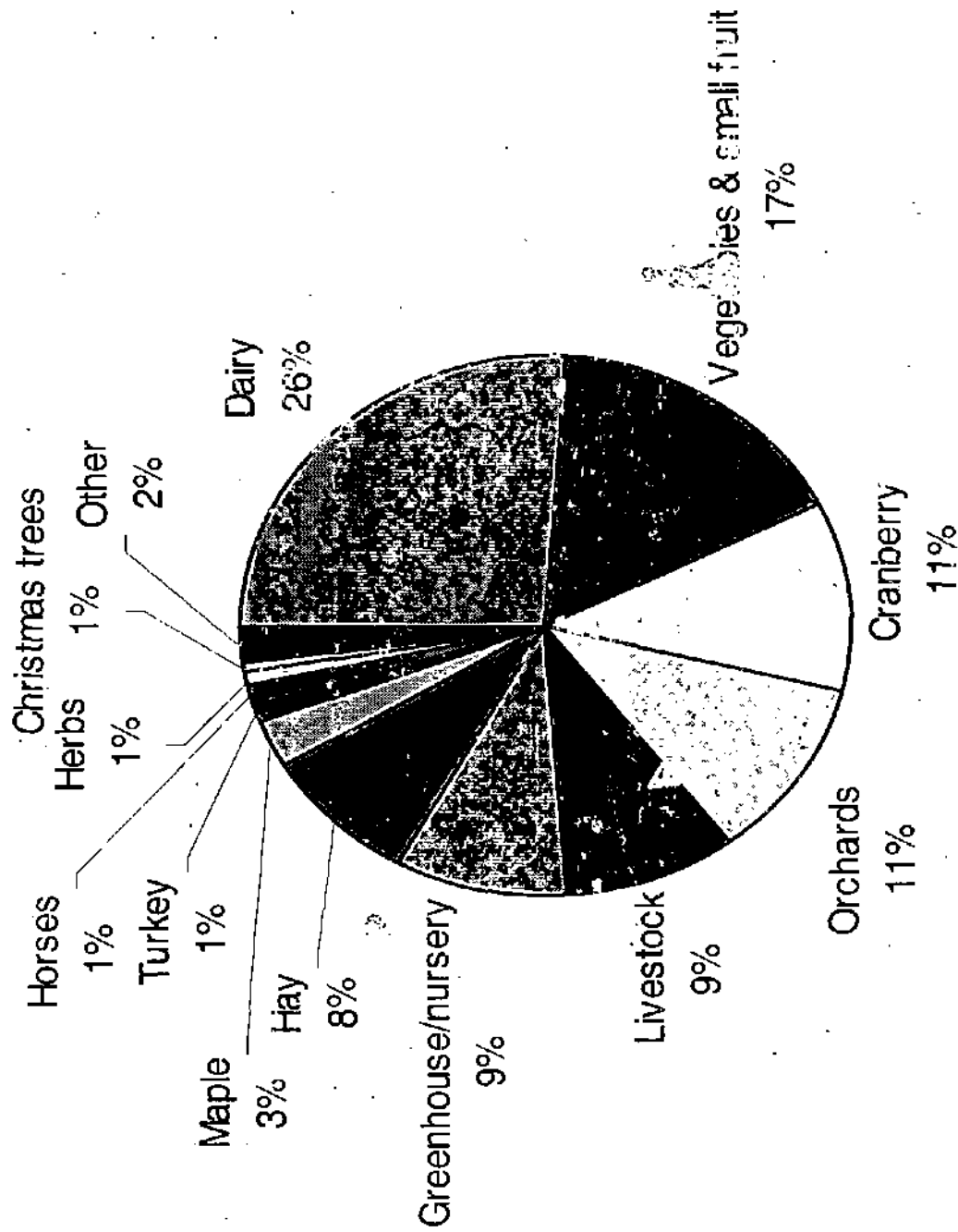
CHECK

6 to 8 weeks following signing

*A Successful, Environmentally-Sound Farm
Business is the Best Farmland Protection Tool*

Farm Viability Enhancement Program

Participating Farms 1996 - 2005



Dairy	72
Vegetables & small fruit	46
Cranberry	31
Orchards	30
Livestock	26
Greenhouse /nursery	25
Hay	23
Maple	8
Turkey	3
Horses	3
Herbs	2
Christmas trees	2
Other	6

Massachusetts Department of Agricultural Resources

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- Doug Gillespie, Commissioner
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- Doug.Gillespie@state.ma.us
- Kent Lage, Assistant Commissioner
- 617-626-1725
- Kent.Lage@state.ma.us
- Craig Richov, Farm Viability Director
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**FARM VIABILITY ENHANCEMENT PROGRAM
RESULTS AS OF JUNE 30, 2005**

RESULT	STATISTIC	COMMENTS
Farms protected by covenant	221	Renewal rounds 9 and 11 not included. Withdrawn and Plan Only farms not included.
Acres placed in protective covenants	20,723	Renewal rounds 9 and 11 not included. Withdrawn and Plan Only farms not included.
Acres impacted (additional acreage leased by farms or land already in the APR program for which business plans were developed)	13,189	Renewal rounds 9 & 11 not included.
Total acres impacted by Farm Viability Program	33,912 (20,723+13,189)	Renewal rounds 9 & 11 not included.
Total of grants paid to participant farms	\$8,255,322	Renewal rounds 9 & 11 not included. Withdrawn and Plan Only farms not included.
Total cost of program per acre placed in protective covenant	\$393.58	Renewal rounds 9 & 11 not included. Withdrawn and Plan Only farms not included.
Total cost of program per acre including impacted land	\$240.51	Renewal rounds 9 & 11 not included.

November 1, 2005

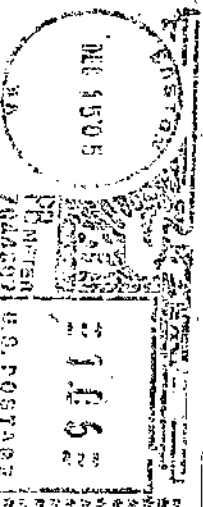
FARM VIABILITY ENHANCEMENT PROGRAM
Primary Business Statistics

	PRIMARY BUSINESS	NUMBER OF FARMS	% OF TOTAL / COMMENTS
1.	Dairy	72	25.9 %
2.	Vegetables & small fruit	46	16.6%
3.	Orchards	30	10.8%
4.	Hay	23	8.3%
5.	Greenhouse/nursery	25	9.0%
6.	Livestock	26	9.3%
7.	Maple	8	2.8%
8.	Horses	3	1.0%
9.	Herbs	2	.7 %
10.	Turkey	3	1.0%
11.	Christmas trees	2	.7 %
12.	Cranberries	31	11.1% Category not on previous report
13.	Other	6	2.1% Category not on previous report
	TOTAL	277	

10/31/05

Department of Agricultural Resources
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SECRETARY DORA

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Honorable Will E. Johanns
Secy of Agriculture

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